

EXHIBIT 416

1 Robert A. Mittelstaedt (State Bar No. 60359)
2 ramittelstaedt@jonesday.com
3 Craig A. Waldman (State Bar No. 229943)
4 cwaldman@jonesday.com
5 David C. Kiernan (State Bar No. 215335)
6 dkiernan@jonesday.com
7 JONES DAY
8 555 California Street, 26th Floor
9 San Francisco, CA 94104
10 Telephone: (415) 626-3939
11 Facsimile: (415) 875-5700

12 Attorneys for Defendant
13 Adobe Systems Inc.

14 UNITED STATES DISTRICT COURT
15 NORTHERN DISTRICT OF CALIFORNIA, SAN JOSE DIVISION
16

17 IN RE: HIGH-TECH EMPLOYEE
18 ANTITRUST LITIGATION

19 THIS DOCUMENT RELATES TO:
20 ALL ACTIONS

Master Docket No. 11-CV-2509-LHK

DECLARATION OF DONNA
MORRIS OF ADOBE SYSTEMS INC.
IN SUPPORT OF DEFENDANTS'
OPPOSITION TO PLAINTIFFS'
MOTION FOR CLASS
CERTIFICATION

Date Consolidated Amended Compl. Filed:
September 13, 2011

ATTORNEYS EYES ONLY

EXHIBIT 416

Deponent Murphy
Date 12-3-12

Gina V. Carbone, CSR

416.1

1 I, Donna Morris, declare as follows:

2 1. I am the Senior Vice President ("SVP") of Global Human Resources at Adobe
3 Systems Inc. ("Adobe"). I have been employed by Adobe in the human resources ("HR")
4 department for more than 10 years. I began working for Adobe in April 2002 as the Senior
5 Director of Global Talent. In December 2005, I became the Vice President of Global Human
6 Resource Operations. In March 2007, I was promoted to my current position.

7 2. I have personal knowledge of the matters stated in this declaration. I make the
8 statements in this declaration based on information gained during my current and former positions
9 within Adobe's HR department. I have been responsible for all HR operations, including the
10 compensation, benefits, and recruiting teams since March 2007. As part of my duties, I have
11 gained historical knowledge of Adobe's compensation practices before 2007 by reviewing
12 Adobe's past training and presentation materials and by participating in meetings and discussions
13 with other Adobe employees. The compensation policies and practices described herein apply to
14 Adobe's salaried employees between January 1, 2005 and December 31, 2009 (the "Class
15 Period").

16 3. The information in this declaration and the exhibits attached are confidential to
17 Adobe. It is Adobe's practice to keep compensation policies and strategies confidential, for
18 internal use only, and not to disclose them to the public. The public disclosure of this information
19 would harm Adobe, including potentially impairing its competitive position in recruiting, hiring,
20 and compensating employees. Adobe derives independent economic value from keeping this
21 information confidential. Adobe has designated the information Attorneys Eyes Only under the
22 Protective Order entered in this case.

23 4. During the Class Period, Adobe employed thousands of employees in more than
24 400 job categories, including executives, human resource managers, compensation analysts,
25 benefits managers, payroll managers, recruiters, attorneys, accountants, sales managers, product
26 managers, various types of software developers, quality assurance analysts, IT employees,
27 creative designers, web developers, facility managers, market research analysts, financial
28 analysts, business analysts, internal auditors, and various other jobs. [REDACTED]

ATTORNEYS EYES ONLY

1

2

3

4

5

I. ADOBE'S COMPENSATION GENERALLY

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

ATTORNEYS EYES ONLY

As examples, attached hereto as Exhibits 1 through 5 are true and correct copies of internal Adobe manager training presentations during the Class Period discussing Adobe's compensation policy:

a. Exhibit 1 (ADOBE_015864), Adobe 2005 Performance, Salary & Stock Focal, February 2005 – "We fairly and regularly assess performance results and differentiate rewards based on performance";

b. Exhibit 2 (ADOBE_023747), 2007 Mini Performance Focal Manager Training, November & December 2006 –

c. Exhibit 3 (ADOBE_015059) FY '07 Incentive Program Updates, February 15, 2007 – "differentiate rewards based on performance";

d. Exhibit 4 (ADOBE_009668) HR All Hands, September 11, 2008 – "Developing total reward programs that are differentiated based on performance"; "increasing focus on differentiation of rewards based on performance"; and

e. Exhibit 5 (ADOBE_009295) HR Strategic Plan 2010 – 2013, "Continue to evolve culture towards pay for performance."

II. HOW ADOBE SETS COMPENSATION FOR EXISTING EMPLOYEES

9. Because of Adobe's strong emphasis on tying compensation to performance and differentiating compensation across employees, each employee's compensation was determined by that employee's manager who is in the best position to assess that employee's performance.

A. BASE SALARY

1. Performance Evaluations

ATTORNEYS EYES ONLY

[illegible]

ATTORNEYS EYES ONLY

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b) [REDACTED]

[REDACTED]

[REDACTED]

ATTORNEYS EYES ONLY

- 5 -

416.6

Morris Declaration
Master Docket No. 11-CV-2509-LHK

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Adobe's compensation team built the salary ranges for each job code for the coming year by setting the mid-point of the salary range at a certain percentile of the survey data, then setting a maximum and a minimum. The target midpoint has changed over the years and varied across job functions. For example, the 2005 target midpoint for various jobs is set forth in Exhibit 1 (ADOBE_015864), which is a true and correct copy of Adobe's 2005 Performance, Salary & Stock Focal. The maximum and minimum of the salary range was then calculated by applying a spread, which also varied over the years and across job levels. The spread varied between 50% to around 70% for different job levels during the Class Period. After the salary ranges were set, they were loaded onto the internal salary website for access by all managers in the company.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

//

//

ATTORNEYS EYES ONLY

1 **3. Budget**

2 22. Each year, Adobe determined a budget for managers to use for merit-based salary
3 increases and promotions. The budget has varied over the years; for example, it was 5% for 2005
4 and 5.5% for 2008. See, for example, Exhibit 1, which is a true and correct copy of the 2005
5 Focal Review (ADOBE_015864). [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

9 **B. BONUS AND EQUITY**

10 [REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

27 **C. TIMING OF ANNUAL COMPENSATION ADJUSTMENTS**

28 27. Generally, adjustments to employee compensation occurred during the focal

ATTORNEYS EYES ONLY

[illegible]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

8 **III. NEW HIRE COMPENSATION**

9 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

24 **IV. INTERNAL EQUITY**

25 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

ATTORNEYS EYES ONLY

1 [REDACTED]
 2 [REDACTED]
 3 [REDACTED]
 4 [REDACTED]
 5 [REDACTED]

6 **V. MERGERS AND ACQUISITIONS**

7 35. In December of 2005, Adobe acquired San Francisco-based Macromedia, a
 8 leading software solutions company. The acquisition added approximately 1,200 employees to
 9 Adobe's headcount. The new employees had to be integrated into our company. [REDACTED]

12 36. After Macromedia, Adobe continued to make acquisitions, including the
 13 acquisition of Navisware in 2005; TTF, Pixmantec, Interakt, Amicima, Serious Magic, and
 14 Antepo in 2006; Scene7 and Virtual Ubiquity in 2007; Meer Meer and Yawah in 2008; and
 15 Business Catalyst and Omniture in 2009. The most significant of these acquisitions was the
 16 acquisition of Omniture, which added approximately 1,100 employees. [REDACTED]

19
 20 I declare under penalty of perjury under the laws of the United States that the foregoing is
 21 true and correct. Executed this 9th day of November 2012 in San Jose, California.

22
 23
 24 By Donna Morris
 25 Donna Morris

26 SFI-771543

27
 28 ATTORNEYS EYES ONLY